

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, April 5, 2022 at 7:00 p.m., with the following members present:

Tony Wood	Hank Guess	David L. Williams
Charlotte C. Williams	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were City Manager Warren Wood, Deputy City Manager Rodney Miller, Deputy City Attorney Arnita Dula, City Attorney John W. Crone, III, Deputy City Clerk Crystal B. Mundy and City Clerk Debbie D. Miller

- I. Mayor Guess called the meeting to order. All Council members were present.
- II. Invocation by Retired Clergy, Reverend Bill Garrard
- III. Pledge of Allegiance
- IV. Special Presentations
 - A. Proclamation for Fair Housing Month – Presented to Catawba Valley Association of Realtors, Karleta Smith.

Mayor Guess asked Karleta Smith, Director of the Catawba Valley Association of Realtors, and the Chair of the Fair Housing Committee for the Catawba Valley Association of Realtors, to the podium. He read and presented the Proclamation for Fair Housing Month to Ms. Smith. A photo was taken.

- B. Proclamation for National Public Safety Telecommunications Week – Presented to Hickory Police Department Telecommunicators.

Mayor Guess advised this presentation was really personable and special to him. Maybe everyone did not know this, but he started years ago with the City of Hickory in Telecommunications as a Telecommunicator for the City of Hickory at the Police Department. It was always really special to him when he gets to present this proclamation for the National Public Safety Telecommunications Week. He asked Captain Bryan Adams, Summer Andrews, and all the Telecommunicators that were present from the Hickory Police Department to the podium. He knew that often times that it was those folks that were quote/unquote “behind the scenes” that did not get a lot of recognition and certainly did not get the credit that they deserved for the job they do. He knew that there were some working right now and there were some that were not here. He asked how many there were total?

Captain Bryan Adams advised approximately 15.

Mayor Guess commented at least 15, 24/7, 365-days a year they were always there. They do not always get the credit for what they do, but he knew what that entailed, and they really do appreciate the job that each and every one of them does. He asked them to relay that to those that were not able to be present. He read and presented the Proclamation for National Public Safety Telecommunications Week to the Telecommunicators in attendance. A photo was taken.

Telecommunicators introduced themselves, Summer Andrews, Supervisor; Ericha Andrews, Telecommunicator One; and Jena Halcomb, Lead Telecommunicator.

- V. Persons Requesting to Be Heard
 - A. Mr. Timothy Shuford, 254 5th Avenue SW, Hickory. He had lived there 37-years. He had two issues to present. He questioned the zoning of the mobile homes. Lately, they had been having mobile homes brought into their community. Purchased by other people and putting them on land. He called the zoning people and questioned them about it because they looked bad. Right up above him there was a mobile home that had been put in there and there was a house on one side and Habitat owned a lot on the other side. They felt like if they keep letting them bring mobile homes in, it was going to bring the property down. They were used mobile homes. His understanding was that if used mobile homes came into the community, they had to have shingles, and this and that, and this mobile home did not have any of that. If they ride down South Center Street, right below the church, before you get to the Housing Authority, if they look behind there was another mobile home that sat way back on the hill and to him it looked bad back there. He asked Council if they would consider looking into the R-4 zoning district, because right now, the way it was zoned, anybody was able to bring a trailer in there and put it on an empty lot. They do not need a mobile home park in the Ridgeview Community. They have nice houses just being built; nice houses they had been remodeled. The last thing they need was a mobile home park where it would bring their property down. He thanked Council.

Mayor Guess thanked Mr. Shuford. He asked if anyone else wished to speak. No one else appeared.

VI. Approval of Minutes

A. Regular Meeting of March 15, 2022.

Aldерwoman Patton moved, seconded by Alderman Zagaroli that the Minutes of March 15, 2022 be approved. The motion carried unanimously.

VII. Reaffirmation and Ratification of Second Readings. Votes recorded on first reading will be reaffirmed and ratified on second reading unless Council Members change their votes and so indicate on second reading.

Aldерwoman Patton moved, seconded by Aldерwoman Williams that the following be reaffirmed and ratified on second reading. The motion carried unanimously.

- A. Approval of an Ordinance to Implement a Speed Limit Reduction to 25mph along 11th Street Circle NW and 11th Street Circle Drive NW. (First Reading Vote: Unanimous)
- B. Budget Revision Number 16. (First Reading Vote: Unanimous)
- C. Consideration of Rezoning Petition (RZ) 22-02, Rezoning of 47.40 Acres of Property Located on Section House Road between 34th Street Place NE and Sipe Road from R-1 Residential and R-20 Residential to R-2 Residential, PIN 3723-08-89-6240. (First Reading Vote: Unanimous)
- D. Consideration of Rezoning Petition (RZ) 22-05 – Rezoning of approximately 13.7 acres of Property located near the Southwest Corner of Cloninger Mill Road and 16th Street NE from R-2 Residential to R-3 Residential, Identified as PINs 3714-12-96-0319 and 3714-12-86-6394. (First Reading Vote: Unanimous)
- E. Consideration of Rezoning Petition (RZ) 22-03, Rezoning of approximately 19.5 Acres of Property Located at 4331 and 4405 North Center Street from R-2 Residential to Planned Development (PD), Identified as PIN 3715-18-30-6570. (First Reading Vote: Unanimous)
- F. Consideration of Rezoning Petition (RZ) 22-04, Rezoning of approximately 9 acres of Property located off Startown Road between Short Road and Robinwood Road from R-20 Residential to Planned Development (PD), Identified as PINs 3711-16-94-6567 and 3721-16-94-9674. (First Reading Vote: Unanimous)

VIII. Consent Agenda: All items below will be enacted by vote of City Council. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Aldерwoman Patton moved, seconded by Aldерwoman Williams approval of the Consent Agenda. The motion carried unanimously.

A. Approved the Issuance of a Pyrotechnic Display Permit to Pyro Shows Inc. for Fireworks Displays at the Hickory Crawdads Stadium.

Staff request approval to issue a pyrotechnic display permit to Pyro Shows Inc. for fireworks displays at the Hickory Crawdads Stadium. Douglas Locascio, General Manager of the Hickory Crawdads, submitted a request to obtain permission to conduct public fireworks displays on the following dates: April 15, 2022; April 29, 2022; May 13, 2022; May 27, 2022; June 17, 2022; July 1, 2022; July 3, 2022; July 15, 2022; July 29, 2022; August 5, 2022; August 19, 2022; and September 9, 2022. The following would be a rain date: April 16, 2022; April 30, 2022; May 14, 2022; May 28, 2022; June 18, 2022; July 2, 2022; July 16, 2022; July 30, 2022; August 6, 2022; August 20, 2022; and September 10, 2022. The North Carolina Fire Code requires an operational permit for the use and handling of pyrotechnic special effects material. The Hickory Fire Department Fire & Life Safety Division shall review all required documentation for the event, including Alcohol Tobacco and Firearm's (ATF) License, Operator and Assistant Operators Permits from North Carolina Office of State Fire Marshal (NCOSFM), Site Plan, and the one-million-dollar liability insurance policy. The Fire & Life Safety Division will also inspect the pyrotechnics display area before the event to ensure compliance with NCOSFM Guidelines, National Fire Protection Association (NFPA) NFPA 1123 Code for Fireworks Display, and NFPA 1126 Use of Pyrotechnics Before a Proximate Audience (if applicable). Staff recommends approval of the issuance of the pyrotechnic display permit.

- B. Approved a Resolution to Declare Surplus 11,891 Discarded Library Items to be Given to the Friends of the Library to be Sold at the Friends "Corner Book Store" at Patrick Beaver Memorial Library and/or Special Book Sales.

The Friends of the Library collect donated books and other materials on an ongoing basis to be sold at seasonal book sales and/or the Corner Book Store, the proceeds from which provide funds for library programming and other special activities. For many years, the library has given the Friends materials that have been removed from the collection because they are out of date, in poor condition, or no longer needed to meet the collection development goals of the library. The sale of donated and discarded books is the primary fundraising activity of the Friends of the Library, and discarded library materials comprise a significant portion of their inventory. The sale of these items ultimately benefits the library and is an appropriate means of disposing of unneeded materials. The library requests that discarded library materials be declared surplus and given to the Friends of the Library for their use at the "Corner Book Store" and/or seasonal book sales.

Notice was advertised in a newspaper having general circulation in the Hickory area on March 21, 2022.

RESOLUTION NO. 22-16
A RESOLUTION OF THE HICKORY CITY COUNCIL
DECLARING SURPLUS LIBRARY MATERIALS AND
AUTHORIZING DONATION TO THE FRIENDS OF THE LIBRARY

WHEREAS, the Hickory Public Library declares a list of 11,891 discarded library materials which are out of date, in poor condition, or no longer needed to meet the collection development goals of the library; and

WHEREAS, the Library wishes to dispose of said property to The Friends of the Library. Books will be sold at the Friends "Corner Book Store" at Patrick Beaver Memorial Library and/or at special book sales.

WHEREAS, G.S. 160A-280 allows the city to donate to another governmental unit within the United States, or a nonprofit organization incorporated after advertising and Council approval.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hickory, North Carolina:

SECTION 1. That authorization is given to the Hickory Public Library to dispose of the declared surplus in a manner serving the best interest of the City.

SECTION 2. This Resolution shall become effective upon adoption.

- C. Approved Change Order 3 to the Agreement for Professional Services with Vaughn & Melton Consulting Engineers, Inc. in the Amount of \$147,057.59 Contingent Upon North Carolina Department of Transportation (NCDOT) Concurrence.

Staff requests Council's approval of change order number three to the Agreement for Professional Services with Vaughn & Melton Consulting Engineers, Inc. for additional roadway design, signal communication design, utility design and right-of-way services as directed by the City of Hickory during the engineering and design phase of EB-5911 in the amount of \$147,057.59, contingent upon North Carolina Department of Transportation concurrence. The OLLE Artwalk project is an element of the Bond Referendum that was to be added in the future as a continued development of the multi-use path around the City that connected all parts of the City for citizens and visitor's enjoyment. This project has received federal funding at 80/20 ratio, Federal and City respectively. Change order number three for the OLLE Artwalk identifies additional services that include roadway design, signal communication, utility design and right-of-way services. City of Hickory portion of fees will be funded by Bond proceeds. Staff recommends Council's approval of change order number three to the Agreement for Professional Services with Vaughn & Melton Consulting Engineers, Inc. for additional roadway design, signal communication design, utility design and right-of-way services related to EB-5911 in the amount of \$147,057.59 contingent upon NCDOT concurrence.

- D. Approved the Right of Way Agreement with North Carolina Department of Transportation (NCDOT) in the Amount of \$68,075.

Staff requests City Council's approval of a right way settlement with North Carolina Department of Transportation (NCDOT) for property located at 1535 1st Avenue SW. As part of the US 321 widening project, NCDOT is purchasing right of way and utility easements on several City properties. This agreement is the fifth City-owned property to get to the settlement stage. The property is located at 1535 1st Avenue SW and houses a

City of Hickory Water Tower. The parcel is further identified as PIN 279208788772. A portion of the property will be taken for right of way, drainage, utility, and temporary construction easements. NCDOT plans to purchase 0.216 acres of right of way with additional drainage and utility easements. NCDOT will also remove the existing fence around the property. Funding for temporary fencing and new permanent fencing is included in the agreement. The total value of the agreement is \$68,075. Staff recommends approval of the right of way agreement with NCDOT in the amount of \$68,075.

- E. Approved a Vacant Building Revitalization Performance Agreement for PEH Properties, LLC in the Amount of \$16,750.

City Council established the Vacant Building Revitalization and Demolition Grant program on September 16, 2008. This program provides forgivable loan funding up to \$20,000 for projects to renovate and rehabilitate vacant buildings within the Urban Revitalization Area and targeted industrial buildings in other areas of the City. PEH Properties, LLC has applied for a Vacant Building Revitalization Grant in the amount of \$16,750 to assist in the renovation of the building at 1811 8th Avenue NW. The applicant plans to renovate the facility for use by an electrical contractor. The applicant plans to invest at least \$111,667 in real property improvements to rehabilitate the building. This makes the project eligible for a \$16,750 forgivable loan. The applicant plans to install new windows and doors, replace the roof and gutters, and make additional improvements to the space. These improvements will enhance the appearance of the building and area. The Business Development Committee reviewed the application and recommended approval. Staff recommends City Council's approval of the Vacant Building Performance Agreement with PEH Properties, LLC.

- F. Approved the Naming of the Baseball Field at Jaycee Park after P.D. Fowler.

The recommendation of naming the baseball field at Jaycee Park after P.D. Fowler was unanimously endorsed by the Parks, Recreation and Sports Tourism Commission.

- G. Approved on First Reading an Ordinance to Implement a Speed Limit Reduction to 25mph Along 10th Street Place NW between 17th Avenue and 21st Avenue NW.

Staff requests Council's approval of an Ordinance to implement a speed limit reduction to 25mph along 10th Street Place NW between 17th Avenue NW and 21st Avenue NW. City Council implemented a Neighborhood Traffic Calming Program that enables citizens to request measures to improve traffic safety in the area where they own property. Citizens must apply to request measures and provide a reason for the request. Then, the City performs analysis to determine what, if any, measures are warranted. Citizens requesting traffic calming measures are required to complete and submit a petition with 75 percent of properties in favor of implementation for the request to move forward. The Traffic Division staff received the completed petition from property owners along 10th Street Place NW with regards to the Neighborhood Traffic Calming Program and have found the property owners to be compliant with the guidelines. The petition qualifies for a speed limit reduction to 25mph. Thirty-Four properties were included in the petition and twenty-six properties signed in favor of implementation. This represents at least 75 percent approval, which meets the requirement. The necessary sign modifications along the roadway can be performed as a normal part of the Traffic Division's signs/markings shop operations. Staff recommends Council approval of an Ordinance to implement a speed limit reduction to 25mph along 10th Street Place NW between 17th Avenue NW and 21st Avenue NW.

ORDINANCE NO. 22-16

AN ORDINANCE OF THE HICKORY CITY COUNCIL AMENDING THE TRAFFIC ORDINANCE AUTHORIZED IN THE HICKORY CODE OF ORDINANCES – ARTICLE III, SECTION 18-81

WHEREAS, Article III of the City of Hickory Code of Ordinances be and is hereby amended through the modification of the official maps authorized therein as follows, to wit:

Amend the Traffic Ordinance by reducing the speed limit along 10th Street Place NW from 17th Avenue NW to 21st Avenue NW to 25 mph.

All ordinances or provisions of the Hickory City Code of Ordinances which are not in conformance with the provisions of the Amendment occurring herein are repealed as of the effective date of this Ordinance.

This Ordinance shall become effective immediately upon adoption.

- H. Approved a Cemetery Deed Transfer from Guy Joseph Guarino, Jr., Trustee of the Beverly A. Guarino Revocable Trust as Restated by Second Amendment dated August 11, 2010 and Susan S. Cloe aka Susan A. Cloe, single, by and through her Attorney-in-Fact, Christina A. Jennings to Guy Joseph Guarino, Jr., and wife, Veronica Moore Guarino, Clinton Toms Andrews Guarino, and Dent Summers Guarino, located in Oakwood Cemetery (Containing approximately 160 square feet, more or less, designated as Plot E, Lot No. 1, Section 35, Spaces 1, 2, 3, and 4) (Prepared by Kimberly H. Whitley, Esq., Patrick, Harper & Dixon, LLP).
- I. Approved on First Reading Budget Revision Number 17.

ORDINANCE NO. 22-17
BUDGET REVISION NUMBER 17

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the General Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	164,808	-
Other Financing Uses	7,970	10,970
TOTAL	172,778	10,970

To provide funding for the above, the General Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	132,368	7,970
Miscellaneous Revenue	21,470	-
TOTAL	153,838	7,970

SECTION 2. To amend the Urgent Repair Program Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Economic & Community Development	28,128	-
TOTAL	28,128	-

To provide funding for the above, the Urgent Repair Program Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenue	21,535	-
Investment Earnings	6,593	-
TOTAL	28,128	-

SECTION 3. To amend the Consortium Program Fund within the FY 2021-22 Budget Ordinance the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Economic & Community Development	6,627	-
TOTAL	6,627	-

To provide funding for the above, the Consortium Program Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Investment Earnings	1,527	-
Miscellaneous Revenue	5,100	-
TOTAL	6,627	-

SECTION 4. To amend the Water/Sewer Fund within the 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Environmental Protection	28,729	-
TOTAL	28,729	-

To provide funding for the above, the Water/Sewer Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Miscellaneous Revenue	14,500	-
Other Financing Sources	14,229	-
TOTAL	28,729	-

SECTION 5. To amend the Justice Assistance 2021 (#G51104) Grant Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Public Safety	33,850	39,850
TOTAL	33,850	39,850

To provide funding for the above, the Justice Assistance 2021 (#G51104) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Restricted Intergovernmental	7,970	28,880
Other Financing Sources	25,880	10,970
TOTAL	33,850	39,850

SECTION 6. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- IX. Items Removed from Consent Agenda – None
- X. Informational Item
- XI. New Business:
 - A. Public Hearings
 - 1. Approved an Amendment to the 2018 Community Development Block Grant Annual Action Plan Amendment to Reallocate Funds – Presentation by Community Development Manager Karen Dickerson.

In 2018, the City allocated funding in the Community Development Block Grant (CDBG) Annual Action Plan for the demolition of substandard structures. The intention was to use this funding to assist with blighted and hazardous properties and to stabilize neighborhoods. Since 2018, the funding has not been used for the purpose of demolishing substandard structures as the appropriate opportunity has not presented itself. City staff would like to amend the 2018 Annual Action Plan to reallocate funding in the amount of \$20,000 from demolishing substandard structures line item to the public infrastructure improvements line item within the 2018 CDBG Budget and Annual Action Plan. City staff would like to use this funding toward the improvement to the Hickory Optimist pickleball court project that is currently in process. Decrease: 2018 CDBG Demolition of Substandard Structures \$20,000 and Increase: 2018 CDBG Public Infrastructure Improvements \$20,000. Staff recommends City Council’s approval of the amended budget to the 2018 Annual Action Plan Amendment to move \$20,000 from demolition of substandard structures to public infrastructure improvements.

The public hearing was advertised in a newspaper having general circulation in the Hickory area on March 25, April 1, and April 5, 2022.

City Manager Warren Wood asked the City’s Community Development Manager Karen Dickerson to the podium to present Council with an amendment to the 2018 Community Development Block Grant Annual Action Plan an amendment to reallocate funds.

Community Development Manager Karen Dickerson presented a PowerPoint. She discussed an amendment to the City’s 2018 Annual Action Plan. In June of 2018, the members of Council approved the Development Block Grant Plan for \$307,542, which was the money the City received from Housing and Urban Development and then \$110,000 in anticipated program income. Included in that 2018 Annual Action Plan there was a line item for \$20,000 to be used for the demolition of dilapidated structures. To date, they had not had an opportunity to use those funds for any demolition of substandard structures in the City itself. She asked members of Council to amend the 2018 Annual Action Plan to reallocate that funding of \$20,000 from the line item of demolition substandard structures to the City’s public infrastructure line item for that same year. That would allow them to use the funding towards a current project that was underway which was the improvements to the Hickory Optimist Park. By doing that

reallocation, it would allow them to then consider that grant year complete and close it out. She referred to the PowerPoint and pointed out they would like to decrease the line item for demolition of substandard structures and increase the line item for the public infrastructure improvements. She asked for any questions.

Mayor Guess asked for any questions. He explained the rules for conducting the public hearing. He declared the public hearing open and asked if there was anyone present to speak in opposition to the proposal. No one appeared. Mayor Guess asked if there was anyone present to speak in favor of the proposal. No one appeared. Mayor Guess closed the public hearing and asked for any further discussion or a motion from Council.

Alderman Patton moved, seconded by Alderman Seaver approval of the amendment to the 2018 Community Development Block Grant Annual Action Plan. The motion carried unanimously.

B. Departmental Reports

- 1(a). Accepted the Bid and Awarded the Contract with PC Construction in the Amount of \$34,952,400 for the Henry Fork Wastewater Treatment Facility Solids Handling Facility Upgrade and Approved a Resolution of Tentative Award – Presentation by Public Utilities Director Shawn Pennell.

Staff requests Council's approval of the project bid from PC Construction for the Henry Fork Wastewater Treatment Facility (WWTF) solids handling facility upgrade, in the amount of \$34,952,400, contingent upon SRF approval. The City of Hickory, City of Conover and Catawba County formed the Regional Sludge Consortium to develop and manage the Regional Sludge Management Facility (RSMF). The RSMF is jointly owned and operated by the City of Hickory, City of Conover, and Catawba County. As of July 1, 2019, Catawba County has withdrawn as a partner from the Consortium. Area municipalities take residuals from their wastewater treatment facilities to the RSMF where it is processed through drying and mixing to produce a quality compost product. The Consortium contracts with Veolia Water North America for the operation and maintenance of the facility. In October of 2019, Council approved an agreement with HDR for the design of the new solids handling facility to be placed at the Henry Fork WWTF. The project was advertised for bids with four bids received from: PC Construction Company - \$34,952,400; Wharton-Smith - \$35,227,000; M.B. Kahn - \$36,698,100; and The Harper Corporation - \$36,340,000. Staff recommends Council's approval of the project bid and award the contract from PC Construction for the Henry Fork WWTF solids handling facility upgrade, in the amount of \$34,952,400, contingent upon SRF approval and approval of a Resolution of Tentative Award.

City Manager Warren Wood advised the Departmental Report actually was made up of three related items, each of which Council would have to act on. The first would be the acceptance of the bid and award the contract with PC Construction in the amount of \$34,952,400 for the Henry Fork Wastewater Treatment Facility Biosolids Handling Facility upgrade. This would involve the approval of a Resolution and tentative award. The second item would be approval of amendment number one to the Professional Services Agreement with HDR Engineering Incorporated of the Carolinas, in the amount of \$2,225,000. The final item to be presented would be budget revision number 18 which was related to these items. Initially, Shawn Pennell, Public Utilities Director would cover the project itself and then Rodney Miller, Deputy City Manager and Chief Financial Officer would go over the money related to this project. He asked Public Utilities Director Shawn Pennell to the podium.

Public Utilities Director Shawn Pennell presented a PowerPoint. He thanked Council for the opportunity to speak before them and for the opportunity to work on this project. It was not very often someone gets to work on a project of this magnitude in their career. This had been 10-years in the making for them. He advised this was their Biosolids Facility that they were looking at installing at the Henry Fork Wastewater Treatment Facility. He explained that biosolids were a product of wastewater treatment. It was necessary that they treat these biosolids. During the wastewater treatment process, they separate the liquids from the solids. Those solids were treated both physically and chemically. He referred to the PowerPoint and pointed out what the product would be at the end of this process. Currently, they added an amendment, with this process they would be going from three percent to approximately 93 percent solid product. The existing facility was first put in service in May of 1990. Originally there was a Consortium of Hickory, Conover, Catawba County, and Newton. The cost for that facility was \$7.7 million dollars. The last upgrade was in 2001. The

Consortium membership was modified then to Hickory, Conover, and Catawba County, but currently it was just Hickory and Conover. In 2018 and 2019, they began working with HDR Engineering to do assessments of the City's existing facility. They performed field inspections, looked at each motor pump, everything, and evaluated its useful life and then the materials. They interviewed all the staff to create a document for them to look at what they need to do. Ultimately, a design was completed to upgrade a facility to receive and process equipment, odor control equipment and whatnot, authorization to construct was received in December of 2020, by the North Carolina Department of Environment and Natural Resources. That was a key component of theirs. He played a short video. While the video was playing Mr. Pennell gave details about the process of the machinery. He pointed out the dryer itself, the extruder, that was the product going into the dryer, and it ran on a series of belts, and was heated with natural gas. He noted the two different belts. The top belt dried it to a certain percentage and then it fell to the bottom belt and comes back, and it finishes drying it that way. It fell into an auger and was conveyed to a storage. He pointed out the dried product that could be used for farming, turf, etc. The project was originally bid in November of 2021. They had three bidders, those bids were rejected, due to irregularities. They tried to lower the project. They cut about a million and a half out. They reissued the bids and rebid it in March. PC Construction was the low bidder at \$34,952,400.

City Manager Warren Wood advised Deputy City Manager Rodney Miller would discuss the financial side of it.

Deputy City Manager Rodney Miller commented it was not as well versed on this subject as Shawn Pennell was, but he said just as an observation as a citizen he thought they probably all take it for granted that they can turn on their spigot in their houses or homes and the water just shows up and they could use as much as they want, they have to pay for it obviously, but then they flush their commodes and that goes away as well. That was pretty unique. This project they were hopefully going to commence, really takes care of all that for them really for a couple more decades and puts them in a good position. This board had the foresight back 30 plus years ago to build that water plant there off of Lake Hickory and it has served them extremely well and he thought this project would too. City Manager Warren Wood and he had looked, and they believed this was their largest project that they had ever had at the City of Hickory, about \$35 million dollars, plus all in it would be approximately \$40 million. He would go through the numbers. He thought that was interesting because he was certainly not an expert. He appreciated Shawn Pennell and his team. In September of last year, this board applied for funding through the North Carolina Local Government Commission. In March they were actually approved for some clean water state revolving funds in the amount of \$30 million dollars with an interest rate of .10 percent. That was 10 basis points or 1/10 of one percent for 20-years. He had never seen anything like that before, that was basically free money. They were very, very pleased to receive that. A couple of weeks later they came back and said they would authorize them an additional 10 percent if they needed it, which of course they do now. The ask was for \$33 million dollars in State Revolving Funds for the project. Debt service payments would be through the public utilities operational budget. The annual debt payment was approximately \$1.7 million dollars a year. They would not begin paying that until the facility was complete. Six months after that facility was complete, then they have to pay the State back beginning with that 1/10 of one percent. In the meantime, while the project was being constructed, obviously they have to continue to operate the existing facility. It was an expensive operation as they could see for the next year proposed in the budget, obviously it had not been accepted or even seen by Council at this point but based on the current year would be about almost \$2 million dollars to operate and provide capital for that facility next year. It was an expensive operation. The ask, as City Manager Warren Wood mentioned for this item was to request Council's acceptance of the bid that he showed previously, \$34,952,400 with PC Construction Company for the Henry Fork Wastewater Treatment Facility Solids Handling Facility upgrade and also approval of a Resolution of the tentative award and that was the State Revolving Fund Award that they had offered them. He asked for Council's consideration of that.

Mayor Guess asked for any questions for Mr. Pennell.

Alderwoman Patton asked when the construction would actually start and how long would it take to put it into operation.

Public Utilities Director Shawn Pennell advised construction would start about June of this year if it was awarded. It was a three-year construction period.

Alderman Wood asked what the alternative to this was. There were people in this Consortium or groups in this Consortium that had since left. What was the alternative to doing this project?

Public Utilities Director Shawn Pennell advised the report that HDR did for them in 2018 showed they would have to spend about \$20 million dollars in 2018 money to upgrade this facility. Those costs had risen exorbitantly. The only alternative to the disposal of sludge was the landfill and that would just be astronomical.

City Manager Warren Wood mentioned that Newton left the Consortium because they do land application which they could not when it rains, so it starts piling up. The City of Hickory produces so much they could not do land application, Catawba County left the Consortium because they really do not have a wastewater treatment plant. They were covering everybody else in the County. The other municipalities in the County would be customers if they want to come utilize the facility.

Alderman Wood asked what the market was for the end product.

Public Utilities Director Shawn Pennell responded it actually was not bad. The product they have now, people really do not want it anymore. There were some places in other States and towns that he had talked to, and they sell it in bulk. Some towns even take bids once a year and a farmer will buy everything, they make. Mooresville was actually giving it away, but they really have a big market, and they were getting ready to start selling it. There was a market for it.

City Manager Warren Wood advised this was a higher quality product than what they were producing today.

Alderman Seaver commented that composting was becoming a very much larger operation all around and they could use some of that too with their composting.

Alderman Williams commented at the current facility operating at two plus million dollars per year at cost, what was the estimate that the new facility would operate at per year?

Deputy City Manager Rodney Miller advised they do not have exact numbers at this point, but obviously with technology that was 30-years more advanced, they expect to realize some savings on that. He did not have an exact number for them, but obviously the capital cost would not increase, it would decrease because they were not replacing old equipment, so that \$240,000 would decrease significantly in those first few years. If they were \$1.7, he would expect to see anywhere from 10 percent to 30 percent savings, would be his guess in the operation of the new facility with the new technology. They would not know for sure until they get it operational.

Alderwoman Patton asked what would be done with the old facility.

Deputy City Manager Rodney Miller replied that was a good question. He did not know that they had answers for them at this point. They would have to unwind the Consortium, see if any of the equipment was still salvageable and then he thought ultimately, they would want to market that site there off of Fairgrove Church Road for future development.

City Manager Warren Wood mentioned there had been some interest for industrial use of that property.

Deputy City Manager Rodney Miller responded they were not prepared to give them all those answers at this point.

Alderman Wood asked about the revolving nature of the funds from the State. He commented say that were 10-years into this and they paid \$1.7 million a year. Could they use those funds, was it a revolving instrument that they could use that for maintenance of the facility at that low interest rate?

Deputy City Manager Rodney Miller advised they could apply. He thought the revolving portion of that was as they spend that over the next three years, they reimburse them, so they were made whole until the project was complete. That was the revolving nature. He asked if they offered that for operational purposes.

Public Utilities Director Shawn Pennell commented \$50 million dollars for capital.

City Manager Warren Wood replied just for capital.

Mayor Guess asked if there were any further questions. He asked for any further discussion or a motion.

City Manager Warren Wood advised the motion would be for item 1a.

Alderwoman Patton moved, seconded by Alderman Seaver approval of the bid, award of the contract, and approval of the Resolution for the Henry Fork Wastewater Treatment Facility. The motion carried unanimously.

RESOLUTION NO. 22-17
RESOLUTION OF TENTATIVE AWARD

WHEREAS, the City of Hickory, North Carolina has received bids, pursuant to duly advertised notice therefore, for construction of the Henry Fork WWTF Solids Handling Facility Upgrade Project, and

WHEREAS, HDR of the Carolinas Inc., has reviewed the bids; and

WHEREAS, PC Construction Company, was the lowest bidder for the Henry Fork WWTF Solids Handling Facility Upgrade Project, in the total bid amount of \$34,952,400, and

WHEREAS, the consulting Engineers recommend TENTATIVE AWARD to the lowest bidder(s).

NOW, THEREFORE, BE IT RESOLVED that TENTATIVE AWARD is made to the lowest bidder(s) in the Total Bid Amount of \$34,952,400.

Name of Contractor	Amount
• PC Construction Company	\$34,952,400
• Wharton-Smith	\$35,227,000
• M.B. Kahn	\$36,698,100
• The Harper Corporation	\$36,340,000

BE IT FURTHER RESOLVED that such TENTATIVE AWARD be contingent upon the approval of the North Carolina Department of Environmental Quality.

- (b). Approved Amendment Number One to the Professional Services Agreement with HDR Engineering, Inc. of the Carolinas in the Amount of \$2,225,000 - Presentation by Public Utilities Director Shawn Pennell.

Staff requests Council’s approval of amendment number one to the Professional Services Agreement with HDR Engineering, Inc. of the Carolinas for construction administration of the biosolids engineering and design (COH 20-001) for the lump sum of \$1,975,000 and an amount not to exceed a cost of \$250,000 for materials testing. The total cost will be \$2,225,000 for amendment number one. The City of Hickory, City of Conover and Catawba County formed the Regional Sludge Consortium to develop and manage the Regional Sludge Management Facility (RSMF). The RSMF is jointly owned and operated by the City of Hickory, City of Conover, and Catawba County. As of July 1, 2019, Catawba County has withdrawn as a partner from the Consortium. Area municipalities take residuals from their wastewater treatment facilities to the RSMF where it is processed through drying and mixing to produce a quality compost product. The Consortium contracts with Veolia Water North America for the operation and maintenance of the facility. Hickory City Council approved the agreement for the design of a new facility on October 15, 2019. Since that time the project has been fully designed, permitted, and bid. Staff requests that HDR of the Carolinas continue this project with contract administration and recommends approval of amendment number one the Professional Services Agreement in the amount of \$2,225,000.

City Manager Warren Wood asked Public Utilities Director Shawn Pennell to the podium to discuss the amendment to the Professional Services Agreement with HDR Engineering, Inc. of the Carolinas for construction administration of the biosolids engineering and design.

Public Utilities Director Shawn advised this was a contract amendment to HDR of the Carolinas. Due to their intimate knowledge of the facility, they had done the study and drafted the plans, they had elected to try to retain them to do the contract administration for the project. They would have an onsite Construction Administrator full-time during the duration of the project. They would review all pay requests and then they would submit them to the State Revolving Fund, so the City could get reimbursed, very quickly, the money from the State. They would do all of the materials testing to ensure everything was installed properly. That fee would be \$2,225,000. He requested approval of amendment number

one to the Professional Services Agreement with HDR Engineering, Inc. of the Carolinas in the amount of \$2,225,000 to provide construction administration.

Mayor Guess asked for any questions or discussion. Mayor Guess moved, seconded by Alderman Seaver approval of the amendment to the Professional Services Agreement with HDR Engineering, Inc. of the Carolinas. The motion carried unanimously.

- (c). Approved on First Reading Budget Revision Number 18.

Deputy City Manager Rodney Miller referred to the PowerPoint and displayed the two budget revisions in conjunction with what Council just approved. The first was the most recent one they approved, the \$2,225,000 appropriation. They would take that from public utilities fund balance towards HDR Engineering for change order number one. Secondly, the bid was \$34,952,400. He asked for Council to appropriate \$34,952,400 to go towards PC Construction to upgrade the project. \$1,952,400 would come out of public utilities fund balance while \$3 million would come from financing proceeds. He advised last year they applied for the \$30 million. They were granting them an additional 10 percent or \$3 million. That three million budget appropriation would be from financing proceeds through the State Revolving Fund Loan. A total project bid of the \$34,952,400 would be covered by that action. He asked for questions if that was unclear.

Mayor Guess asked for any questions.

Alderwoman Patton moved, seconded by Alderman Seaver approval of the Budget Revision Number 18. The motion carried unanimously.

ORDINANCE NO. 22-18
BUDGET REVISION NUMBER 18

BE IT ORDAINED by the Governing Board of the City of Hickory that, pursuant to N.C. General Statutes 159.15 and 159.13.2, the following revision be made to the annual budget ordinance for the fiscal year ending June 30, 2022, and for the duration of the Project Ordinance noted herein.

SECTION 1. To amend the Water/Sewer Fund within the FY 2021-22 Budget Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Uses	4,177,400	-
TOTAL	4,177,400	-

To provide funding for the above, the Water/Sewer Fund revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	4,177,400	-
TOTAL	4,177,400	-

SECTION 2. To amend the Bio Solids (#803306) Capital Project Ordinance, the expenditures shall be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Water & Sewer Capital Projects	7,177,400	-
TOTAL	7,177,400	-

To provide funding for the above, the Bio Solids (#803306) revenues will be amended as follows:

FUNCTIONAL AREA	INCREASE	DECREASE
Other Financing Sources	7,177,400	-
TOTAL	7,177,400	-

SECTION 3. Copies of the budget revision shall be furnished to the Clerk of the Governing Board, and to the City Manager (Budget Officer) and the Finance Officer for their direction.

- 2. Appointments to Boards and Commissions

CITIZENS ADVISORY COMMITTEE
(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)

Small Cities Project Area VACANT

COMMUNITY APPEARANCE COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
At-Large (Outside City but within HRP) (Council Appoints) VACANT

COMMUNITY RELATIONS COUNCIL

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Other Minority (Council Appoints) VACANT
Other Minority (Council Appoints) VACANT
Other Minority (Council Appoints) VACANT
Differently Abled and is African American or Other Minority (Council Appoints) VACANT
Differently Abled (Council Appoints) Beth Whicker
(Not Eligible for Reappointment)

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Ward 3 (Seaver Appoints) VACANT
(Beth Schauble Resigned 11-10-2021)
Ward 5 (Zagaroli Appoints) (Joe Fox Resigned 3-21-2022) VACANT

Alderman Zagaroli nominated Dianne Straley as Ward 5 Representative on the Library Advisory Board.

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Ward 4 (D. Williams Appoints) VACANT

RECYCLING ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
Ward 6 (Patton Appoints) (Lona Hedrick Resigned 1-11-2022) VACANT

YOUTH COUNCIL

(Terms Expiring 6-30; 1-Year Terms) (Appointed by City Council)

Youth Council Applicant Review Committee Recommends the Following Appointments:

Fred T. Foard VACANT
Homeschool VACANT

NORTH CAROLINA LEAGUE OF MUNICIPALITIES

Voting Delegate for 2022-2023 League Board of Directors in Advance of the Annual Business Meeting on April 28, 2022 at the NCLM Annual Business Meeting during the CityVision Conference.

Mayor Guess moved seconded by Alderman Seaver approval of the above nomination. The motion carried unanimously.

Alderman Zagaroli advised Dianne Straley was on the Library Board before and then when they had the change of the boundaries she got off and now came back and she was back in Ward 5. She was very excited about being renominated. A tremendous asset to that commission.

C. Presentation of Petitions and Requests

XII. Matters Not on Agenda (requires majority vote of Council to consider)

XIII. General Comments by Members of Council, City Manager or City Attorney of a Non-Business Nature

Alderwoman Patton requested for someone to get back with Mr. Shuford about the zoning.

City Manager Warren Wood advised he had made a note concerning that.

Alderwoman Patton recapped the breakfast with ASU Hickory Campus which was very inspiring to hear what they were going to invest in Hickory, and they would start classes in the Fall of 2023. New and exciting things.

City Manager Warren Wood advised there was an online article already that was really good. He thanked Hickory Daily Record.

April 5, 2022

Mayor Guess thanked Hickory Daily Record reporter Kevin Griffin.

XIV. There being no further business, the meeting adjourned at 7:39 p.m.

Mayor

City Clerk